

Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION
INTELLIGENCE DIVISION

March 2000

GUATEMALA—COUNTRY BRIEF

DEA Office Responsible	Guatemala Country Office
Population	10,928,000 (As of mid-1996)
Area	108,889 square kilometers (42,042 square miles)
Capital	Guatemala City
Type of Government	Constitutional Republic

Guatemalan Top Government Officials

President	Alfonso Portillo
Vice President	Francisco Reyes
Minister of Government	Guillermo Ruiz Wong
Minister of National Defense	Juan de Dios Estrada Velasquez
FRG Director and Legislative President	Efraim Rios Montt



HISTORICAL COMMENT

Guatemala faced significant social and economic problems, including corruption, the legacy of military governments, and a society that had endured three decades of continuing violence, following a 36-year civil war that officially ended in 1996. Demobilization of thousands of Guatemalan Army personnel and guerrilla fighters added to the nation's unemployment problems. As a result of high unemployment, a large number of Guatemalans were vulnerable to drug addiction. During the late 1990s, the use of "crack" cocaine increased among urban youth and by 1999 had escalated into a significant social problem and a contributing factor to Guatemala's high crime rate.

Guatemala's first peace-time election was held in two rounds in 1999, the first on November 7 and the final round on December 26. Despite President Alvaro Arzu's achievement in negotiating a peace agreement between the Guatemalan Government and the leftist guerrillas, public dissatisfaction with the Arzu Administration's failure to control crime and to improve economic conditions resulted in the overwhelming victory of the rightist opposition party *Frente Republicano Guatemalteco* (FRG) and its presidential candidate, Alfonso Portillo. To the dismay of human rights activists, Efraim Rios Montt, who had been military ruler of Guatemala during the early 1980s when numerous human rights violations took place, was elected to head the Guatemalan Congress and retained a leadership position in the FRG.

OVERVIEW

Guatemala's location between Mexico and the other Central American countries makes it a major transit country for South American cocaine producers. Drug traffickers transship bulk quantities of cocaine

through Guatemala en route to Mexico, the United States, and Europe. Drug traffickers exploit Guatemala's well-established transportation facilities and its central location between South America and the United States to expedite air, maritime, and overland drug smuggling. Commercial tractor-trailers and private passenger vehicles are the primary means of transportation overland via the Pan-American Highway. General aviation aircraft also are used extensively. The large number of clandestine airfields and the lack of an internal radar system make the use of aircraft very attractive to trafficking organizations smuggling drugs through Guatemala.

Drug trafficking organizations also use containerized cargo aboard commercial maritime vessels sailing from ports on the Caribbean Sea and the eastern Pacific Ocean. Depending upon the smuggling operation, selected vessels load or off-load their drugs at Guatemalan ports. These shipments normally are destined for the major ports in Mexico and U.S. ports along the Gulf of Mexico.

Drug Seizures in Guatemala 1992 - 1999

	1992	1993	1994	1995	1996	1997	1998	1999
Cocaine (metric tons)	9.5	7.8	2.0	1.0	4.0	5.84	9.2	10.05
Heroin (kilograms)	N/A	0	0	0	7.8	16.2	3.65	52
Marijuana (metric tons)	0.7	2.1	1.76	0.5	16.4	0.3	0.42	0.65

Drug Eradication in Guatemala 1992 - 1999 (in hectares)

	1992	1993	1994	1995	1996	1997	1998	1999
Opium Poppies	470	426	150	86	12	3	4.81	0.7
Cannabis Plants	40	200	100	250	213	59	58	52

CULTIVATION/ERADICATION

Limited opium poppy cultivation occurs in the Departments of San Marcos and Huehuetenango in western Guatemala. Although Guatemala was a significant producer of opium poppy in the late 1980s and the early 1990s, aerial eradication operations between 1990 and 1996 effectively reduced the crop from a high of over 2,500 hectares in 1991 to a few isolated patches in 1999. Opium poppies are cultivated in small plots, usually less than one fifth of a hectare, and are interplanted with legitimate crops such as corn and other food products. This practice, along with the location of poppy fields in steep mountain ravines, camouflages the opium poppy and frustrates aerial eradication efforts. In 1999, less than 1 hectare of opium poppy plants was eradicated.

Cannabis cultivation continues to be a problem in the northern jungle areas in Guatemala, especially in the Peten Department. Widespread deforestation has left cleared areas of the former jungle available for illicit cultivation. Guatemalan law enforcement officials located and destroyed 46.9 hectares of cannabis plants in 1999.

CHEMICALS/PROCESSING

Drug trafficking organizations use Guatemala to transship controlled chemicals used in processing methamphetamine in Mexico. The inadequately guarded Guatemala–Mexico Border facilitates the movement of large quantities of chemicals from Guatemala to Mexico. Reportedly, diverted chemicals are transported by vehicles along major roads and rivers that cross the border into Mexico.

Although exact statistics are unavailable, Guatemala is a major importer of ephedrine. Ephedrine is a substance legitimately used for pharmaceutical, veterinarian, and cosmetic purposes; but it also is a precursor chemical utilized in the illegal manufacturing of methamphetamine. Guatemala can legitimately utilize between 500 and 1500 kilograms of ephedrine per year. However, large quantities of ephedrine are being diverted by Guatemalan drug trafficking organizations for use in clandestine methamphetamine laboratories in the United States and Mexico. From 1993 to 1995, over 12 metric tons of ephedrine were imported into Guatemala, 4 metric tons more than what was required to meet the country's legitimate ephedrine needs. Since 1996, more than 3 metric tons of ephedrine have been imported into Guatemala.

Information obtained from the Guatemalan health sector indicates an increase of pharmacies operating and producing medicines in the country. Most of the pharmacies operating in Guatemala are Colombian companies and operate without adequate supervision and control.

DRUG TRAFFICKING THREAT

Guatemala is the preferred Central American location for storage and consolidation of cocaine loads en route to the United States and Europe. An estimated 300 to 400 metric tons of cocaine are shipped through the Central American corridor to Mexico and on to the United States annually. Guatemalan law enforcement agencies interdicted more than 10 metric tons of cocaine in 1999.

Drug traffickers exploit Guatemala's well-established transportation facilities, and its central location between South America and the United States, to expedite air, maritime, and overland drug smuggling. Guatemala's topography and its agriculture-based economy afford hundreds of isolated landing strips for smuggling via aircraft. Maritime ports on both coasts and a good network of internal roads also contribute to traffickers' ability to transport drugs into and through Guatemala. Drug trafficking organizations take advantage of the immense volume of legitimate cargo that moves through Guatemalan ports to secrete drugs in cargo containers or to move drugs in large trucks. Once drug shipments have entered Guatemala, traffickers move the drugs either overland or by maritime means to Mexico and then on to the United States. Drug traffickers transporting cocaine shipments originating from Colombian ports and San Andres Island, continue to use the Puerto Barrios Port Region, located on Guatemala's Caribbean Coast. Colombian drug trafficking organizations working with Guatemalan organizations use "go-fast" boats to transport cocaine to Guatemala's mainland. Then drugs are either off-loaded in Guatemala, or the boats are refueled and continue on to other coastal destinations along the coasts of Belize, Mexico, or the United States. If the shipment is off-loaded in Guatemala, the load either can be transshipped through Mexico by land or by maritime vessels to its final destination.

The overland use of tractor-trailer trucks and private passenger vehicles to smuggle drugs through Guatemala has increased in importance in recent years. Traffickers have been moving increasingly large shipments of cocaine by tractor-trailer trucks along the Pan-American Highway. Traffickers conceal loads in tractor-trailers in specially designed compartments, either in the trailers, or in special compartments hidden in the trucks' gas tanks. Multiton shipments are possible if hidden in the trailer, but shipments hidden in gas tanks are smaller, usually ranging between 150 and 250 kilograms. Tractor-trailers transport cocaine to Guatemala from Costa Rica and Panama, and later travel to Mexico for further transport to destinations in the United States.

On March 16, 1999, during a joint U.S.-Guatemalan law enforcement operation, the Guatemalan Department of Anti-Narcotics Operations (DOAN) seized 2,556 kilograms of cocaine from three tractor-trailer

trucks. The cocaine was found hidden in a false bottom floor of one 45-foot and two 40-foot containers en route from El Salvador along the Pan-American Highway. This seizure was the largest cocaine seizure ever in Central America.

Various types of aircraft also are used to smuggle drugs into Guatemala, destined for lucrative markets in the north. The drugs normally are off-loaded from small aircraft in Guatemala, stored in stash sites, and then sent into Mexico both overland and by river. In 1999, Guatemalan law enforcement agencies seized several large loads of cocaine after tracking aircraft entering Guatemalan airspace by radar. The DOAN intercepted aircraft and boats carrying more than 1,768 kilograms of cocaine hydrochloride (HCl) and 42 kilograms of heroin. On April 24, 1999, a suspicious plane flying from Colombia to Guatemala crashed upon landing on ground made muddy by recent rains. The ground crew of about 15 men off-loaded the plane, moved the cocaine into a trailer hauled by a tractor, and set the plane on fire. The tractor took the cocaine to three small fishing craft, which, in turn, took the cocaine to a waiting pleasure boat. The following day, Guatemalan police tracked the boat into a nearby canal and recovered 950 kilograms of cocaine. This case offers an example of an intermodal trafficking method, in which drug traffickers use a combination of air, ground, and water transportation to off-load and move quickly large quantities of cocaine. In another case on May 16, 1999, two Colombian pilots in a Cessna 310 aborted the delivery of a cargo of 500 kilograms of cocaine when they ran out of fuel and were forced to land at La Aurora International Airport in Guatemala City. They were arrested after they abandoned the plane on the runway and attempted to flee on foot.

Well-organized trafficking groups also use couriers to smuggle small quantities of heroin and cocaine on commercial aircraft through La Aurora Airport. Couriers ingest capsules containing heroin and also take carry-on luggage with cocaine or heroin concealed in personal items. Couriers only carry a small amount of heroin or cocaine at a time (usually less than 2 kilograms of heroin or less than 3 kilograms of cocaine).

Guatemalan traffickers also have established connections with European trafficking organizations, utilizing Guatemalan commercial sea-freight services and containerized cargo. In 1999, Italian police seized 1,202 kilograms of cocaine in a shipment of frozen fruit from Guatemala.

DRUG ABUSE

The Government of Guatemala continues to be concerned about drug abuse among the general population. Colombian traffickers frequently pay Guatemalan traffickers for their logistical support in drugs instead of money. The drugs, in turn, are sold domestically. Guatemalan law enforcement officials see internal drug use as a serious problem that could undermine Guatemalan society. The use of crack cocaine is increasing at an alarming rate within the lower and middle economic sector. Inhalant abuse among youths of the lower economic sector also continues at a high rate. A study conducted by Guatemala's National Drug Coordination Office has confirmed that drug abuse, with increased cocaine use as the leader, is on the rise with most age groups.

Increasing crack cocaine use in Guatemala received significant media attention in 1999. As is true in neighboring El Salvador, crack cocaine use among urban youths rose sharply in 1999, in a pattern which closely resembled the rise of crack cocaine use in urban centers in the United States in the mid 1980s. Guatemalans believed that crack cocaine use was a significant factor in the increase of violent crime in urban areas. Guatemalan law enforcement agencies seized a total of 3 kilograms of crack cocaine in 1999; prior to 1999 crack cocaine seizures had been negligible.

MONEY LAUNDERING

Drug traffickers and other criminal elements utilize Guatemala's financial institutions for laundering or for holding a trafficker's money. Financial institutions are vulnerable to money laundering, and are utilized by an enormous number of individuals, companies, and corporations to evade taxes or to further criminal enterprises. There are no effective controls in Guatemala to prevent money laundering. Currency exchange houses are not considered financial institutions under Guatemalan law, and operate legally without any government control. Money laundering legislation faces opposition, as the methods used to launder money are the same as the methods used to evade the payment of the Guatemalan income tax. Bank secrecy also impedes the development of effective enforcement actions against money launderers.

In 1992, the Guatemalan Congress approved a bill that provided the necessary legislation to combat money laundering. This law prohibits illicit transactions and investments with drug-generated profits. Also, the Public Finance and the Superintendency of Banks can gain access to bank accounts when there is sufficient evidence to do so. However, there is little desire on the part of Guatemalan bank officials to initiate money laundering investigations.

PRICES

Wholesale prices for marijuana paid to farmers in Guatemala averaged from US\$35 to US\$50 per pound. The cost of cocaine being transported through Guatemala ranged from US\$5,000 to US\$7,000 per kilogram in 1999, for a level of purity that ranged from 80 to 90 percent. Opium gum sold for approximately US\$1,000 per pound and approximately US\$60 per ounce. Heroin ingestors received approximately US\$1,500 per trip between Colombia and Guatemala.

COUNTERDRUG OPERATIONS

The Arzu Administration aggressively supported counternarcotics efforts of the DOAN. The Ministry of Government, the Public Ministry, and the Judicial Organization cooperated with the DEA and U.S. State Department to enhance interdiction and eradication operations.

In July 1997, the Guatemalan Government abolished its police agencies, the Guatemalan National Police and Treasury Police, and established a new agency, the Civil National Police Force (PNC). The PNC has its own director and operates a special Anti-Narcotic Task Force that employs over 3,000 police officers. The Anti-Narcotic Task Force consists of elements from the old Guatemalan Treasury Police and the old Guatemalan National Police. The Task Force concentrates on specialized counterdrug situations such as surveillance, undercover cases, and controlled deliveries.

As part of the reorganization, the DOAN retrained its officers and increased their pay. Currently, the DOAN is the leading agency for the eradication of cannabis and opium poppies and for all other national and international counterdrug investigations. The PNC deals primarily in the investigations of street-level drug dealers and all other internal consumption of illegal drugs.

The DEA and the U.S. State Department continue to work with the Guatemalan Government to modernize the PNC. In 1999, U.S. assistance centered on linking case tracking and police reporting, as well as establishing a command and control center. The Guatemalan Government also expanded the Port Security Program to cover La Aurora Airport and Puerto Quetzal. This program succeeded in uncovering one major smuggling ring and in the seizure of 4,900 kilograms of cocaine in an 18-month period.

In 1999, DOAN officers seized over 10 metric tons of cocaine and over 50 kilograms of heroin. The large cocaine seizures in 1999 and complex investigations that made them possible offer evidence that the DOAN is a professional and valuable partner in the fight against international cocaine trafficking. The DOAN has an expanded canine drug detection program with units operating at the La Aurora Airport and in the Port Barrios Region. A highway enforcement unit, which was responsible for several major cocaine seizures in 1999, operates out of the DOAN Headquarters.

At the end of 1999, the outgoing Arzu Administration created a special white-collar-crimes investigation unit to investigate major and high-profile corruption cases. The new unit will have 30 employees.

LEGISLATION, TREATIES, CONVENTIONS

Guatemala is a signatory to the 1988 Vienna Convention. Although not an international agreement, police authorities view the International Drug Enforcement Conference (IDEC) as a very important function. The Guatemalan Government agrees that a multinational effort is needed to control drug trafficking. IDEC, sponsored by the DEA, has promoted a regional approach to drug enforcement operations. Guatemalan law enforcement officials view the IDEC as the vehicle to promote regional cooperation.

CONCLUSIONS/PROJECTIONS

A new highway was opened in the Peten Department on January 7, 2000. The new highway will reduce travel time by road between Guatemala City and Peten from 18 hours to 7 hours, and is likely to bring economic development to the Peten Region. However, the new highway also will link cocaine trafficking sites in the Puerto Barrios-Lake Izabal Region with the Yucatan Peninsula in Mexico, and will provide drug traffickers moving shipments in tractor-trailers and other vehicles with an alternative to using the Pan-American Highway along the Pacific coast of Guatemala.

Cocaine transshipment through Guatemala by land, sea, and air will continue to increase. Air transshipment of cocaine increased in 1999 and will persist as long as there are inadequate air interdiction assets. The use of commercial containers, both on land and through the ports, will continue to be the preferred method of smuggling drugs through Guatemala. Some opium poppy cultivation will continue in the remote highlands and may increase due to the limited aerial reconnaissance and sporadic aerial eradication. Cannabis cultivation also will continue, and could become a serious problem if not controlled by periodic eradication measures.

Domestic cocaine abuse will continue to grow as traffickers pay local traffickers with cocaine instead of cash for transportation services, and the supply of cocaine for the domestic market increases. The increase in cocaine availability and consumption, with resulting increases in crime, will continue to strain Guatemala's limited police resources.

This report was prepared by the Mexico/Central America Unit of the Office of International Intelligence. Comments and requests for copies are welcome and may be directed to the Intelligence Production Unit, Intelligence Division, DEA Headquarters, at (202) 307-8726.